

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for Authority, Among Other Things, To Increase Revenue Requirements for Electric and Gas Service and to Increase Rates and Charges for Gas Service Effective on January 1, 2003. (U 39 M)

Application 02-11-017  
(Filed November 8, 2002)

Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Service and Facilities of Pacific Gas and Electric Company.

Investigation 03-01-012  
(Filed January 16, 2003)

Application of Pacific Gas and Electric Company Pursuant to Resolution E-3770 for Reimbursement of Costs Associated with Delay in Implementation of PG&E's New Customer Information System Caused by the 2002 20/20 Customer Rebate Program. (U 39 E)

Application 02-09-005  
(Filed September 6, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING  
REQUESTING FURTHER INFORMATION ON ACCOUNTING FOR  
EXECUTIVE COMPENSATION AND BONUSES**

By Ruling dated February 3, 2004, Pacific Gas and Electric Company (PG&E or applicant) was asked to submit a verified report regarding executive compensation. On February 10, 2004, PG&E filed and served its report.

In its response regarding Issue 8, applicant states that:

"In addition, in order to ensure that retention grants will be paid by stockholders, PG&E will list all such

awards in its 2003 General Order 77-K Report and indicate the FERC account to which the payments will be billed. The Commission will thus be assured that the amounts are ‘below-the-line,’ to be funded by shareholders.” (Report, pages 22-23.)

It will assist the Commission if applicant supplements its February 10, 2004 Report to provide this portion of the General Order (G.O.) 77-K Report now. The Supplemental Report should show the amounts paid in January 2004,<sup>1</sup> the Federal Energy Regulatory Commission (FERC) account to which they were booked, a statement that such account is “below-the-line” for ratemaking in the jurisdiction of the Commission, and any other information reasonably necessary for the Commission to understand this matter. If not yet paid but payable, applicant should show the amounts payable, the FERC account to which it will be booked, a statement that such account is “below-the-line,” and any other information reasonably necessary to understand this matter. Applicant should also provide any other specific information or proposed language (*e.g.*, beyond the requirement that “PG&E will list all such awards in its 2003 G.O. 77-K Report and indicate the FERC account to which the payments will be billed”) that may be necessary for inclusion in the Commission’s decision to ensure funds are not included in “headroom,” the “regulatory asset,” or any other funds chargeable to ratepayers, but are “below-the-line.”

---

<sup>1</sup> “The grants were paid in January 2004.” (Report, page 15.)

**IT IS RULED** that Pacific Gas and Electric Company shall, within 4 days of the date of this Ruling, file and serve a verified Supplemental Report on Executive Compensation that provides the information identified in this Ruling. This proceeding shall be resubmitted for decision upon applicant's filing of this Supplemental Report.

Dated February 23, 2004, at San Francisco, California.

/s/ JULIE M. HALLIGAN

Julie M. Halligan  
Administrative Law Judge

/s/ BURTON W. MATTSON

Burton W. Mattson  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judges' Ruling Requesting Further Information on Accounting for Executive Compensation and Bonuses on all parties of record in this proceeding or their attorneys of record.

Dated February 23 2004, at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

\*\*\*\*\*

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, *e.g.*, sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.